

# Axis Bluechip Fund

An open-ended equity scheme predominantly investing in large cap stocks.

## Investment Strategy

- True to label large cap strategy aimed at delivering **risk adjusted returns**.
- Uses **bottom-up stock selection** process (Focus on appreciation potential of individual stocks from a fundamental perspective)
- Stocks are selected in the portfolio based on their ability to **grow earnings on a sustainable basis** while maintaining a **highly liquid and risk managed** portfolio.
- Pure bottom up stock picking focusing on fundamentals - Maintains a core portfolio of quality businesses with secular growth prospects and takes tactical positions in quality cyclicals linked to fund manager views of cyclical factors and market positioning
- A 60:40 leaders and challenges portfolio mix for secular growth and alpha generation

## Fund Positioning and Changes

The fund is actively managed, focusing on identifying long term themes and opportunities currently at play in the equity markets. Over the last two years, the fund has diversified its allocation by increasing the number of stocks and diversified sector exposure. It has also reduced concentration level by decreasing the exposure to the top 10 holdings and meaningfully deployed cash, as reflected in lower cash levels.

As a result of diversification, the concentration of alpha has reduced, leading to lower risk. The recent Alpha (one month performance as of 30 Aug 2024) is contributed by 67% of the portfolio, compared to last year (one month performance of 31 Oct 2024) outperformance was contributed by less than 50% of Portfolio.

The Fund will continue to maintain diversified portfolio but may not diversify it further.

Month	Number of stocks	Number of Sectors	Top 3 sector concentration
Aug-24	54	29	40%
Aug-22	37	19	49%

Source: Internal and Factset. Data as on 31<sup>st</sup> August 2024.

Within the large cap universe, the fund has increased its exposure to the export theme by adding positions in IT-software. We believe that slowing earnings and weak demand amid record-high valuations warrant caution. Hence, we expect sectoral churn, with FY24 laggards (consumer, private banks, insurance, and IT) likely to lead. Fund is focusing on three main themes:

Month	IT	Retail	Auto
Aug-24	11%	10%	10%

Theme	Consumption + Exports
Automobiles	Two-Wheelers: Strong performance with increased order books and improved bottom lines. Rural sales are likely to grow strongly due to better sentiments from normal monsoons.
IT	We believe the IT sector has gone through rerating, making it an attractive segment.
Retail	A well-distributed monsoon suggests a promising festive season. Store rationalization seems to be nearing its end, hinting at increased store openings in the third quarter. Online sales, particularly for many established brands are showing signs of a recovery as marketplaces become more active.

Source: Internal and Factset. Data as on 31<sup>st</sup> August 2024. Exposure as % of Net assets. Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.

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Over the last three months, the IT - Software and Retailing sectors saw significant increases in weightage. The weightage classifications show that many sectors are underweight (UW), with a few being overweight (OW). Portfolio has 36.5% of Active share mainly in Retail, Finance, consumer services and telecom.

Stocks	30-Aug-24	31-May-24	Change in Last 3 months	BSE 100	Weightage
Banks	19.2%	19.4%	Decrease	24.1%	UW
IT - Software	10.7%	7.3%	Increase	11.7%	UW
Automobiles	9.9%	10.1%	Decrease	6.9%	OW
Retailing	9.8%	8.6%	Increase	3.6%	OW
Finance	7.5%	9.5%	Decrease	4.5%	OW
Petroleum Products	5.7%	6.9%	Decrease	8.3%	UW
Telecom - Services	4.9%	4.7%	Decrease	3.0%	OW
Pharmaceuticals & Biotechnology	4.1%	4.0%	Decrease	3.5%	OW
Transport Services	2.7%	2.2%	Increase	0.6%	OW
Construction	2.7%	3.7%	Decrease	3.1%	UW
Power	2.6%	3.2%	Decrease	3.0%	UW
Cement & Cement Products	2.4%	1.9%	Increase	2.2%	OW
Diversified FMCG	2.1%	1.1%	Increase	5.1%	UW
Insurance	1.7%	0.7%	Increase	1.5%	OW
Chemicals & Petrochemicals	1.7%	1.8%	Decrease	0.6%	OW
Food Products	1.5%	1.9%	Decrease	1.1%	OW
Personal Products	1.1%	0.5%	Increase	1.0%	OW
Leisure Services	1.0%	0.6%	Increase	0.2%	OW
Electrical Equipment	0.9%	1.9%	Decrease	0.4%	OW
Auto Components	0.7%	0.0%	Increase	0.6%	OW
Consumer Durables	0.5%	0.9%	Decrease	2.4%	UW
Agricultural Food & other Products	0.5%	0.2%	Increase	0.8%	UW
Healthcare Services	0.5%	0.6%	Decrease	1.0%	UW
Realty	0.5%	0.6%	Decrease	0.4%	OW
Consumable Fuels	0.5%	0.7%	Decrease	0.9%	UW
Aerospace & Defense	0.4%	1.0%	Decrease	1.4%	UW
Ferrous Metals	0.4%	1.0%	Decrease	1.5%	UW
Oil	0.4%	0.0%	Increase	0.9%	UW
Industrial Products	0.0%	0.0%	Increase	0.6%	UW

Source: Internal and Factset. Data as on 31<sup>st</sup> August 2024. Exposure as % of Net assets. Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.

The fund has also decreased allocation towards top 10 stocks and churned the portfolio to replace two stocks in the top 10 list in last 3 months

Stocks	Aug-24	3 Months Changes
HDFC Bank Ltd	8.49%	Reduced concentration
ICICI Bank Ltd	7.72%	Reduced concentration
Reliance Industries Ltd	5.63%	Increased allocation
TCS	5.04%	Reduced concentration

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Bajaj Finance Ltd	5.02%	No change
Infosys Ltd	4.99%	Increased allocation
Bharti Airtel Ltd	4.93%	Reduced allocation
Avenue Supermarts	4.80%	Reduced concentration
Interglobe Aviation Ltd	2.73%	Increased allocation, moving it to top 10
Bajaj Auto Ltd	2.72%	reduced allocation, but moved to top 10

Source: Internal and Factset. Data as on 31<sup>st</sup> August 2024. Exposure as % of Net assets. Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.

The fund has remained true to label for large cap exposure. Recently, it has increased allocation in midcap stocks to 3.6%, by taking exposure in Insurance companies. The fund also holds 2 Midcap stocks Info Edge (India) Ltd and The Indian Hotels Company Ltd. This shift is mainly on account of the stock slipping from large cap to mid cap classification and the sector continuing to remain attractive at this point.

Market Cap Mix	August-24	June-24	Mar-24	Dec-23	Sep-23
<b>Large Cap</b>	92.6	93.8	95.1	95.2	92.8
<b>Mid Cap</b>	3.6	2.4	2.3	2.3	1.9
<b>Cash &amp; NCA</b>	3.7	3.8	2.6	2.6	5.3

Data as on 31<sup>st</sup> August 2024. Exposure as % of Net assets. Source: ACEMF and Internal. Market caps are defined as per SEBI regulations as below: a. Large Cap: 1<sup>st</sup> -100<sup>th</sup> company in terms of full market capitalization. b. Mid Cap: 101<sup>st</sup> -250<sup>th</sup> company in terms of full market capitalization. c. Small Cap: 251<sup>st</sup> company onwards in terms of full market capitalization.

## Why Largecap Now?

Post the sharp rally in the Mid and Small cap stocks over the last two years, the spread of these indices over Nifty is +2 SD over historic range. Earnings growth has remained weak in the current earning session. From both valuation and earnings perspectives large cap seems to be an attractive investment.

In an elevated interest rate scenario, markets are generally valuation oriented and reward cheaper stocks. Given the current market scenario, with liquidity easing and 10-year G-sec yields down from their peak, the market seems to be turning favourable for quality stocks.

The performance recovery in the long-held stocks and changes made in the fund have both contributed to the improved performance.

Scheme – Reg (G)	1 Year - underperformance compared to Benchmark	
	31-Aug-23	30-Aug-24
<b>Axis Bluechip Fund</b>	-6.3	-1.1

Source: ACEMF, Axis MF Research. Data collated as on 14<sup>th</sup> May 2024. 3 year rolling returns since inception of the fund i.e., 7<sup>th</sup> January 2013 is considered. Past Performance may or may not be sustained in future. Data for Regular plan – growth option. For returns in SEBI prescribed format kindly refer the below table.

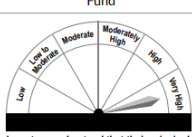
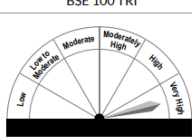
Fund	1 Year		3 Year		5 Year		Since Inception	
	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs. 10,000
Axis Bluechip Fund	34.00%	13,400	9.84%	13,253	16.06%	21,079	13.17%	61,320
BSE 100 TRI (BM)	36.93%	13,693	17.05%	16,035	20.67%	25,613	13.02%	60,174
Nifty 50 TRI	32.64%	13,264	15.17%	15,274	19.37%	24,262	12.63%	57,173

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Above returns are for Regular Plan - Growth Option Past performance may or may not be sustained in future. Data as on 30th August 2024. Since Inception – 5th January 2010. Different plans have different expense structure. Shreyash Devalkar is managing the scheme since 23rd November 2016 and he manages 10 schemes, Krishnaa N (for Foreign Securities) is managing the scheme since 01st March 2024 and she manages 18 schemes of Axis Mutual Fund. Ashish Naik is managing the scheme since 3rd August, 2023 and he manages 17 schemes of Axis Mutual Fund. Please click on link [https://www.axismf.com/cms/sites/default/files/Statutory/WDP\\_ANNEXURE\\_Aug%2024.pdf](https://www.axismf.com/cms/sites/default/files/Statutory/WDP_ANNEXURE_Aug%2024.pdf) to view the performance of other schemes currently managed by the fund manager. Note: In case you require physical copy of this document request you to kindly take the printout to review the fund managers performance of other schemes managed by him from the above link given. Returns greater than 1 year period are compounded annualized (CAGR). Face Value per unit : ₹10.

## Product Labelling & Disclaimers

<b>Axis Bluechip Fund</b> (An Open-Ended Equity Scheme Predominantly Investing In Large Cap Stocks) <b>Benchmark:</b> BSE 100 TRI	
This product is suitable for investors who are seeking* <ul style="list-style-type: none"> <li>Capital appreciation over long term.</li> <li>Investment in a diversified portfolio predominantly consisting of equity and equity related instruments of large cap companies.</li> </ul> *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	
<b>Riskometer</b>	
<b>Fund</b>  Investors understand that their principal will be at Very High Risk.	<b>BSE 100 TRI</b> 

Disclaimer: Data updated as on 30 August, 2024. Please click on link to view the performance of other schemes currently managed by the fund manager. [https://www.axismf.com/cms/sites/default/files/Statutory/ALL\\_ANNEXURE\\_Aug%2024.pdf](https://www.axismf.com/cms/sites/default/files/Statutory/ALL_ANNEXURE_Aug%2024.pdf)

Shreyash Devalkar is managing Axis Bluechip Fund and Axis Midcap Fund since 23rd Nov, 2016, Axis Equity ETFs FoF since inception, Axis Small Cap Fund and Axis Multicap Fund Since 1st Mar, 2023, Axis ESG Integration Strategy Fund, Axis ELSS Tax Saver Fund, Axis Growth Opportunities Fund and Axis NIFTY Healthcare ETF since 4th August 2023 and Axis India Manufacturing Fund since 27th Dec, 2023.

Ashish Naik is managing the equity portion of Axis Regular Saver Fund and Axis Multi Asset Allocation Fund since 22nd Jun, 2016, Axis Children's Gift Fund since 6th Jul, 2016 and Axis Nifty 50 ETF since 3rd Jul, 2017, Axis Special Situations Fund since 24th Dec 2020, Axis Nifty 100 Index Fund since 18th Oct 2019, Axis NIFTY India Consumption ETF, Axis Quant Fund and Axis NIFTY Bank ETF and Axis Arbitrage Fund since 4th May, 2022, Axis Equity Hybrid Fund since inception, Axis Business Cycles Fund since inception, Axis Balanced Advantage Fund since 1st Mar 2023, Axis BSE SENSEX ETF since Inception, Axis Bluechip Fund and Axis ELSS Tax Saver Fund since 3rd Aug 2023, Axis BSE Sensex Index Fund Since 27th Feb, 2024.

Krishnaa N is managing Axis Bluechip Fund, Axis Midcap Fund, Axis Focused 25 Fund, Axis Small Cap Fund, Axis Flexi Cap Fund, Axis Growth Opportunities Fund, Axis Special Situations Fund, Axis ESG Integration Strategy Fund, Axis Quant Fund, Axis Retirement Savings Fund Aggressive Plan, Axis Retirement Savings Fund Dynamic Plan, Axis Retirement Savings Fund Conservative Plan, Axis Value Fund, Axis Greater China Equity Fund of Fund, Axis Global Innovation Fund of Fund, Axis Global Equity Alpha Fund of Fund, Axis NASDAQ 100 Fund of Fund and Axis US Treasury Dynamic Bond ETF Fund of Fund since 1st March 2024.

Statutory Details: Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to Rs. 1 Lakh). Trustee: Axis Mutual Fund Trustee Ltd. Investment Manager: Axis Asset Management Co. Ltd. (the AMC). Risk Factors: Axis Bank Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document represents the views of Axis Asset Management Co. Ltd. And must not be taken as the basis for an investment decision. Neither Axis Mutual Fund, Axis Mutual Fund Trustee Limited nor Axis Asset Management Company Limited, its Directors or associates shall be liable for any damages including lost revenue or lost profits that may arise from the use of the information contained herein. No representation or warranty is made as to the accuracy, completeness or fairness of the information and opinions contained herein. The AMC reserves the right to make modifications and alterations to this statement maybe required from time to time.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**